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FIRM ADMINISTRATOR

March 6, 2007

ADMITTED IN UTAH ONLY
*ADMITTED IN UTAH AND ARIZONA ONLY

Via Certified Mail, U.S. Mail, and Hand Delivery

Carol Nelson
990 Cupids Knoll
Monmouth, OR 97361

Dear Ms. Nelson:

This firm represents Michael Kaplan, the President of the Sands of Kahana Vacation Club. We are in possession of communications that reveal you have engaged in illicit, illegal activity in relation to Mr. Kaplan that includes, inter alia, libel, slander per se, and conspiracy to maliciously defame his reputation and character in his business capacity. Each one of these illicit acts is actionable under Nevada, Hawaii, or Oregon law and exposes you to personal monetary damages upon obtainment of a judgment against you. Accordingly, you are hereby commanded to cease and desist all such illegal activities immediately. If you fail to do so, we will file a lawsuit against you, which will include an immediate motion for a temporary restraining order ("TRO") and preliminary injunction. We will prosecute the case through the permanent injunction and trial stages.

Because your activities have been so conspicuous, deliberate, and egregious, we will also move for punitive damages against you personally and for all of our attorneys' fees and costs in being compelled to bring such an action. Your publication of false and slanderous statements to others that Mr. Kaplan has engaged in fraudulent activities, including manipulating voting for the board of directors and creating "sham" ballots, will not be tolerated. All of these statements by

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A PROFESSIONAL CORPORATION

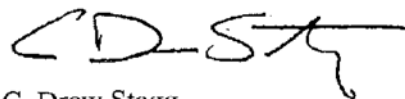
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you are false and known to you to be false. These, and any statements like them, will be ceased by Court order at your considerable expense if you do not immediately cease and desist your illegal actions on your volition.

Be assured that our investigators will continue to monitor your activities to ensure that no further illegal acts are committed by you against our client. And be assured that if you continue with such acts, we will move immediately against you in the proper legal forum. If you have any questions about this, call me at any time.

Sincere regards,

HUTCHISON & STEFFEN



C. Drew Stagg
For the Firm

CDS:rc

cc: Joseph R. Ganley, Esq.
Michael Kaplan